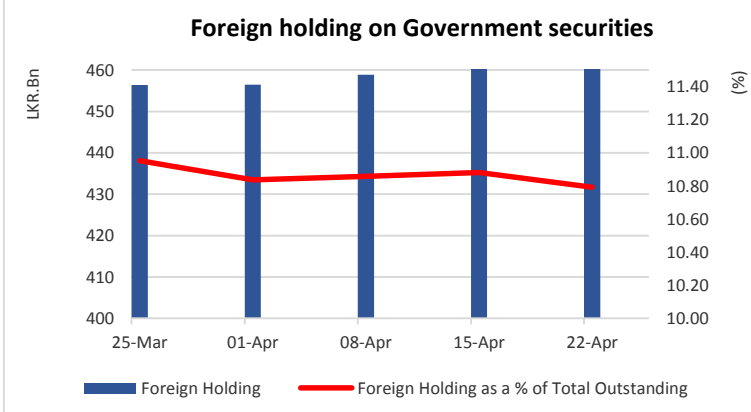
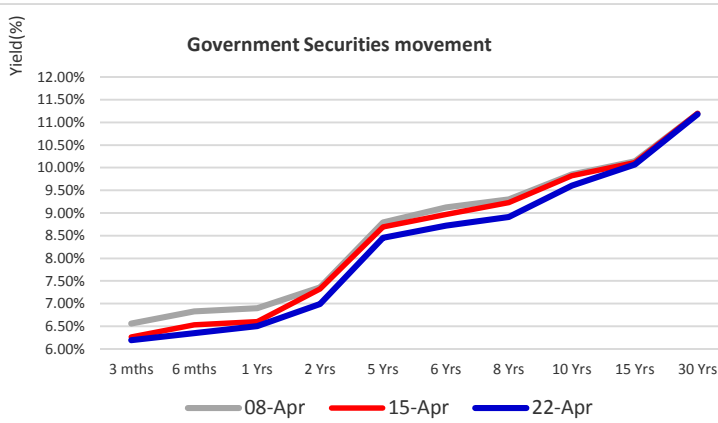


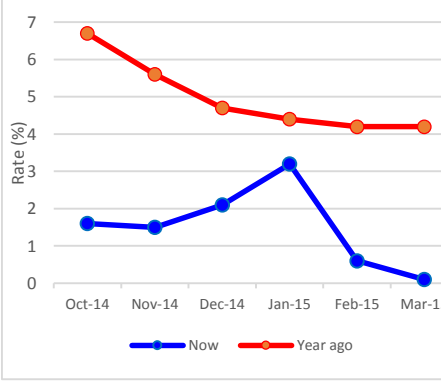
Economic Indicators: LKR/USD 133.77 (-0.36% WOW) | AWPR: 7.13% (1.79% WOW) | AWDR: 5.83% (-1.18% MPM) | ASPI: 7,130 (0.61% WOW) | S&P SL20: 4,023 (0.27% WOW)



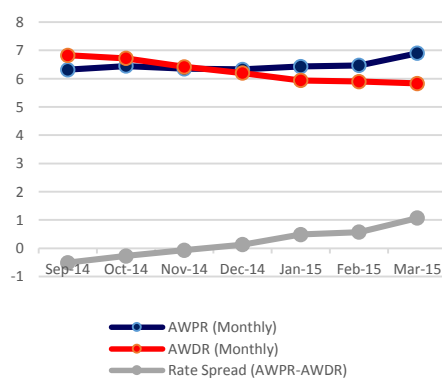
Market	Period	22-Apr	15-Apr	Change %
Primary Market	3 mths	6.19%	6.56%	-5.64%
	6 mths	6.35%	6.83%	-7.03%
	1 Yrs	6.50%	6.90%	-5.80%
Secondary Market	2 Yrs	6.99%	7.36%	-5.03%
	5 Yrs	8.45%	8.79%	-3.87%
	6 Yrs	8.72%	9.12%	-4.39%
	8 Yrs	8.91%	9.30%	-4.19%
	10 Yrs	9.60%	9.85%	-2.54%
	15 Yrs	10.07%	10.14%	-0.69%
	30 Yrs	11.18%	11.19%	-0.09%

- Average Weighted Prime Lending Rate (AWPR): 7.13%. It has reduced by 1.79% compared to last week.
- Average Weighted Deposit Rate (AWDR): 5.83% (Mar), 5.90% (Feb).
- Average Weighted Fixed Deposit Rate (AWFDR): 6.87% (Mar) and 6.95% (Feb).
- SLIBOR Rates : 6.13% (1Day), 6.30%(7Days), 6.54%(1Month), 6.83%(3Months), 7.12%(6Months), 7.38%(1Yr)
- Inflation (YOY change): 0.1% (Mar) and 0.6% (Feb).

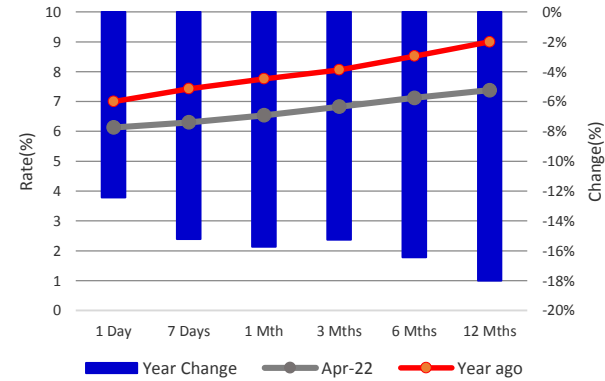
## Inflation



## Policy Rates



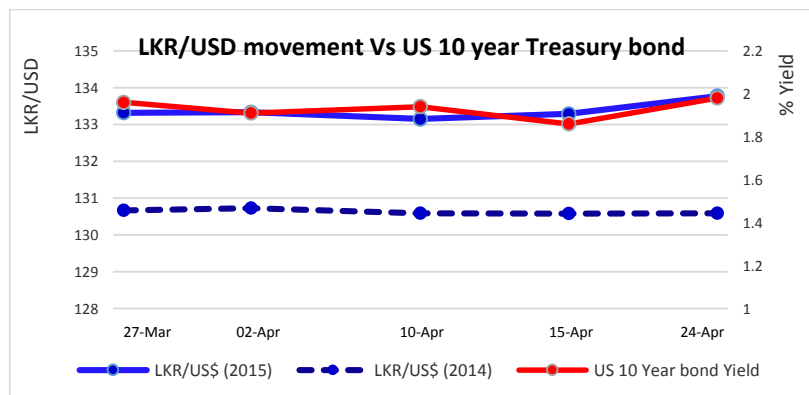
## Sri Lanka Interbank Offer rates



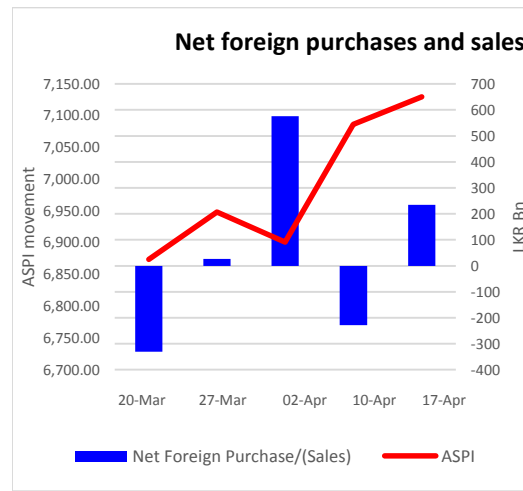
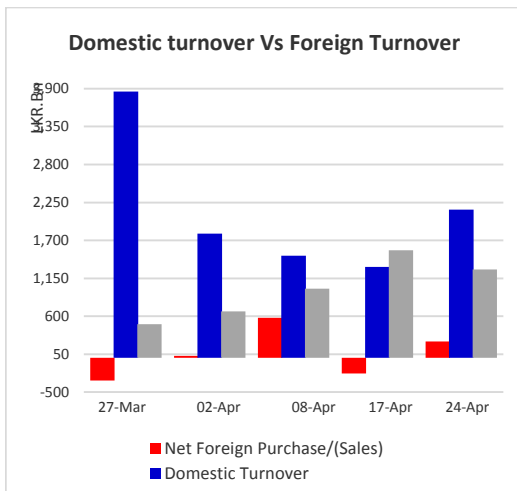
## LKR EXCHANGE RATE MOVEMENT

- LKR depreciated over the week by 0.36% against USD from LKR/USD 133.29 to 133.77.
- One month forward rate of LKR/USD is 133.53 (Last week 133.71), three month forward rate is 135.18 (Last week 134.64)

	27-Mar	02-Apr	10-Apr	17-Apr	24-Apr
INR 2015	2.11	2.14	2.13	2.13	2.10
INR 2014	2.17	2.18	2.17	2.16	2.14
RM 2015	36.21	36.08	36.49	36.53	36.93
Rm 2014	39.70	40.00	40.46	40.33	40.02



- All Share Price Index: 7,130 points as at 24<sup>th</sup> April 2015.
- S&P 20: 4,023 points as at 24<sup>th</sup> April 2015.
- ASPI increased WOW by 43 points which is 0.61%.
- S&P 20 declined WOW by 11 points, reflecting a 0.27% positive variation.
- Net Foreign inflow: Rs. Mn. 235.
- Last week recorded a Net foreign outflow Rs. Mn. 228.
- Market capitalization: Rs.Bn.3,027 which is 0.63% increase compared to last week.
- Market PE: PE recorded as 19.29 in this week and it has increased by 0.31% from the last week.



LOCAL NEWS

Rupee forwards ended steady on Thursday on the Central Bank’s moral suasion despite importer dollar demand, while pressure on the local currency is seen persisting through the middle of this year on lower interest rates. Actively traded one-month forwards ended steady at 134.70/90 per dollar. Dealers were reluctant to trade due to the moral suasion but there is downward pressure Two-week and one-week forwards ended steady at 133.90/134.00 and 133.60/70 per dollar respectively. The Central Bank through moral suasion prevented the spot rupee from dropping below 132.90/133.20, a limit it set in February. The political uncertainty was weighing on investor confidence and putting pressure on the exchange rate as President Maithripala Sirisena’s 100-day program ends on Thursday. **(Source: Daily Ft - 24.04.2015)**

Colombo equities market wrapped the weekly operations on a mixed note ahead of the 19th amendment to the constitution to be presented in the parliament on Monday (27th April 2015) with the support of the majority of the political parties. Out 249 counters, 135 advanced, 64 slipped while 50 counters remained unchanged. Cash map advanced to 64% from 55%. 9 counters reached 52wk high prices while 3 counters touched 52wk low price levels. Meanwhile at Treasury bill auction, T-Bill yields further dropped where 12M yield declined by 10bps to 6.50% **(Source: Derana - 24.04.2015)**

Central Bank Governor Arjuna Mahendran has resumed his duties after a more than five-week voluntary leave of absence after being cleared by a panel investigating a controversial Government Bond auction. At the auction, the Government raised more than Rs. 10 billion (\$75.2 million) from the sale of a 30-year Treasury Bonds at a yield of 11.73%, after initially offering just Rs. 1 billion with an indicative price of 9.5%. **(Source: Daily Ft- 17.04.2015)**

GLOBAL NEWS

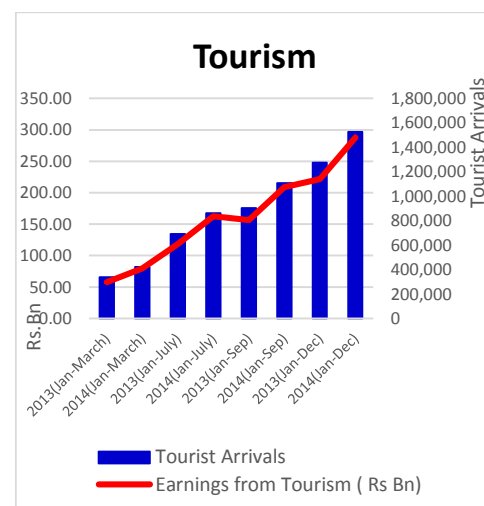
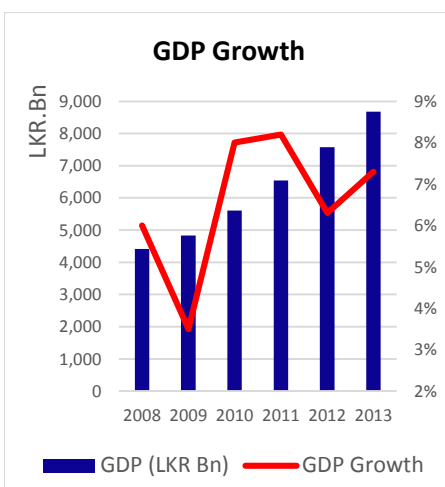
U.S. and British authorities fined Deutsche Bank (DBKGn.DE) \$2.5 billion, accused Germany's largest lender of obstructing regulators and ordered it to fire seven employees in the eighth global settlement of alleged benchmark interest rate rigging. The penalty - the biggest in a seven-year investigation that has shredded the banking industry's reputation - takes the total fines imposed on some of the world's top financial institutions to around \$8.5 billion. Twenty-one people face criminal charges. U.S. regulators fined Deutsche Bank \$2.12 billion and UK watchdogs imposed a \$340 million penalty for its role in a scam that ran from around 2003 to 2010 to fix rates such as the London Interbank Offered Rate (Libor) - used to price hundreds of trillions of dollars of loans and contracts worldwide. **(Source: Reuters - 23.04.2015)**

Rating agency Moody’s said emerging economies in Asia Pacific region, including India, have a high degree of immunity to external shocks, but will face challenges when the US Federal Reserve begins raising interest rates. A common challenge for emerging economies in the region will come when the US Federal Reserve begins to raise interest rates. Asia Pacific sovereigns generally exhibit strong external payments positions and government debt profiles relative to peers elsewhere in the world. **(Source: The Hindu (India) - 23.04.2015)**

Taiwan is to open a cross-border stock trading platform with Singapore on July 1. Taiwan is seeking to draw more global investors into its equity market. The link follows the opening of cross-border trading between Shanghai and Hong Kong in November last year. Taiwan’s 150 biggest stocks are to be eligible for investment through the program. Demand from Chinese investors for Hong Kong shares pushed the Hang Seng Index to a seven-year high on April 13. **(Source: Bloomberg - 23.04.2015)**

## GDP and Economy

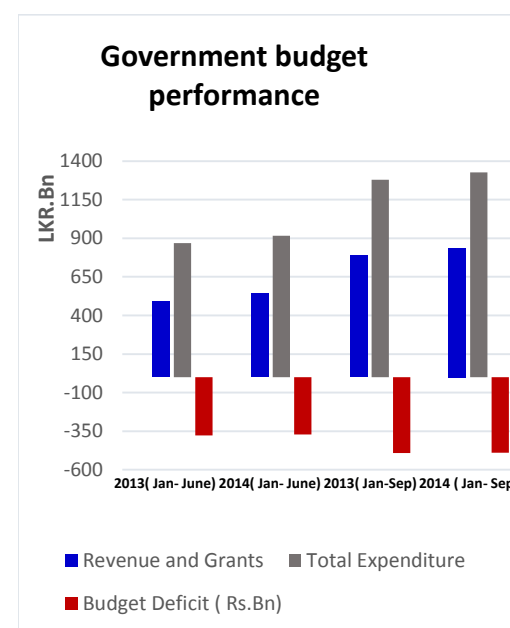
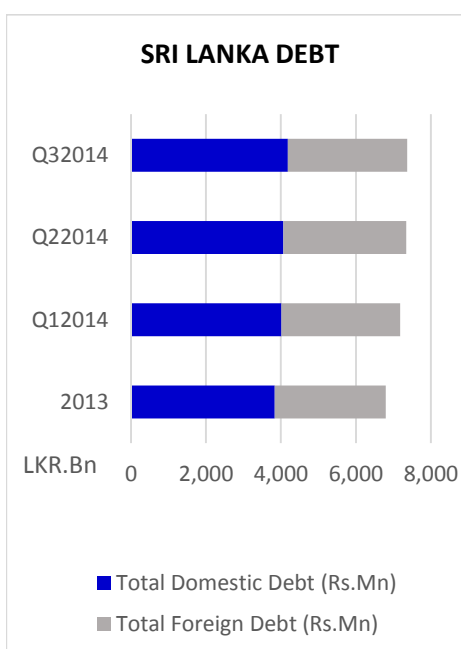
- The GDP of the third quarter of 2014 depicts a steady growth of 7.7% when compared with the second quarter. The Service sector contribution was higher than the other two sectors which is 53.9%.
- The agriculture sector, industry sector and Service sector GDP recorded in Q32014 were Rs. Mn 92,112, Rs. Mn 284,602 and Rs.Mn. 534,350 respectively.
- Unemployment rate is 4.5% in second quarter 2014 which is a 0.1% increment from the last year second quarter.



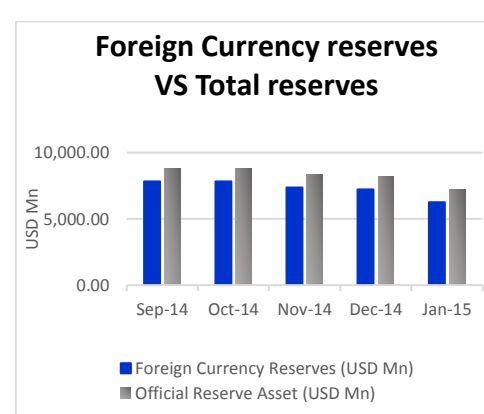
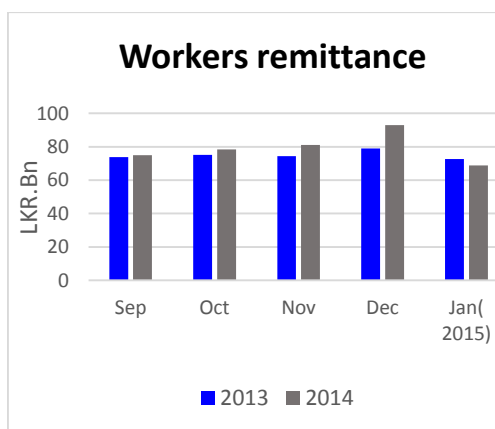
## SRI LANKA FISCAL PERFORMANCE

According to the quarterly financial economic indicators, the Total Outstanding Government debt was increased by Rs. 575.7 Billion to Rs. 7368.9 Billion in 2014. The domestic debt was increased by Rs. 353.2 billion in 2014 whereby the majority of the domestic debts were comprised by Treasury bonds. The Foreign debts increased by Rs. 222.5 Billion mainly due to the issuance of International Sovereign Bond in US Dollars. The Government revenue increased by 5.6% in the first nine months of 2014, due to the tax revenue collected. The budget deficit was narrowed by Rs .Bn 2.1 in first nine months of 2014 compared to 2013.

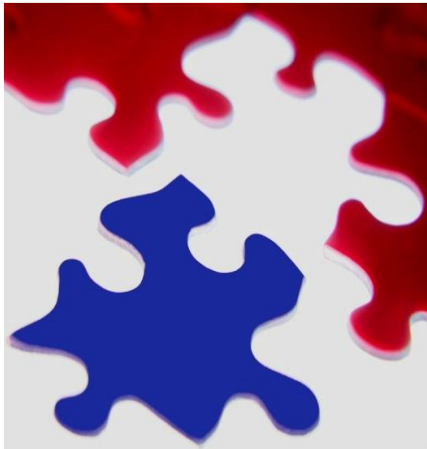
	2011	2012	2013
<b>GOVERNMENT DEBT/GDP (%)</b>	78.5	79.2	78.3
<b>DOMESTIC DEBT/ GDP (%)</b>	42.9	42.7	44.2
<b>FOREIGN DEBT % OF GDP</b>	35.6	36.5	34.1



## SRI LANKA EXTERNAL SECTOR



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# OUR SERVICES

1. CAPITAL MARKET ACTIVITIES
2. PORTFOLIO MANAGEMENT
3. CORPORATE RESTRUCTURING

*Kenanga Investment Corporation Ltd (KICL) was established in Sri Lanka in 2007 and specializes in capital markets activities with core strengths in investment banking and fund management. KICL is the overseas investment arm of Malaysian listed company K & N Kenanga Holdings Berhad (KNKH), a long established financial group in Malaysia with 40 years of collective experience in equity broking,*



**KENANGA**  
**INVESTMENT FOR ALL**

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- IPO – Equity and Debt
- Private Placements
- Rights Issues
- Mergers and Acquisitions
- Corporate Syndicated Loan Facilities

## PORTFOLIO MANAGEMENT

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- Listed Equity
- Fixed Income Securities
- Kenanga Retirement Plan (KRP)

## CORPORATE RESTRUCTURING

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- Balance Sheet Restructuring
- Corporate Restructuring

## KENANGA INVESTMENT CORPORATION LTD

4th Floor Landmark Building,  
No 385, Galle Road,  
Colombo 03

Web: [www.kenangasl.com](http://www.kenangasl.com)  
Email: [info@kenangasl.com](mailto:info@kenangasl.com)

Tel: 011 523 8441  
Fax: 011 523 8442



## **KENANGA RETIREMENT PLAN (KRP)**

A smart investment idea

**AN  
INVESTMENT  
RETIREMENT**  
Plan that will give you  
peace of mind during

### **Kenanga Retirement Plan-retirement for any age**

Kenanga Investment Corporation Ltd (KICL)--the investment banking and fund management expert introduces the Kenanga Retirement Plan (KRP), which affords an opportunity for individuals to invest for their retirement from early on.

Why should a customer choose KRP over other retirement products in the market? What differentiates KRP from the rest is the flexibility of the plan to individual needs. With a structure that delivers maximum convenience to the investor, KRP allows customers to monitor their portfolios online to maintain the deliverance of a transparent service. As the money is invested in different entities under the personal name of client, financial market risks can be mitigated, where the security of the investments are enhanced.

The funds will be invested at the equity or corporate debt markets depending on the client's preference. This could be structured according to a period desired by the customer--be it five, ten or 15 years or a period specified by the investor.



### **CONTACT US**

4th Floor, Landmark Building,  
No. 385, Galle Road, Colombo 03.  
Tel: 0094 115 238 441  
Fax: 0094 115 238 442  
E-mail: [info@kenangasl.com](mailto:info@kenangasl.com)  
Web Link : [www.Kenangasl.com](http://www.Kenangasl.com)